

GENERAL ASSEMBLY RETIREMENT SYSTEM
OF ILLINOIS

THIRTY-EIGHTH ANNUAL REPORT
OF THE
BOARD OF TRUSTEES

FOR THE YEAR ENDED
June 30, 1985

General Assembly Retirement System
415 Iles Park Place
Springfield, Illinois 62718
Telephone: (217) 782-8500

GENERAL ASSEMBLY RETIREMENT SYSTEM

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STATE OF ILLINOIS
GENERAL ASSEMBLY RETIREMENT SYSTEM

415 ILES PARK PLACE
SPRINGFIELD, ILLINOIS 62718
TELEPHONE (217) 782-8500

NORMAN E. LENTZ
ADMINISTRATIVE SECRETARY

February 5, 1986

The Honorable James R. Thompson
Governor of the State of Illinois
Springfield, Illinois

Sir:

As Chairman of the Board of Trustees of the General Assembly Retirement System of Illinois, I take pleasure in presenting herewith its THIRTY-EIGHTH ANNUAL REPORT on the operations of the System for the fiscal year ended June 30, 1985.

Respectfully submitted,

PHILIP J. ROCK

Chairman

FINANCIAL AND STATISTICAL FACTS

June 30, 1985 and June 30, 1984 in Comparison

<u>At Year End</u>	<u>Fiscal Years Ended</u>	
	<u>June 30, 1985</u>	<u>June 30, 1984</u>
Net Present Assets	\$23,250,871	\$21,990,416
Investments (at cost)	23,015,713	21,638,352
Average yield on investments (at cost)	7.1%	7.2%
Active Participants	190	189
Retirement Annuitants	198	187
Survivors' Annuitants	116	114
Unfunded Accrued Liability	35,411,864	31,200,192
Rate of Funding (Security Ratio)	39.6%	41.3%
 <u>For the Year</u>		
Net Revenues	\$ 1,260,455	\$ 1,526,718
Net Investment Income and Interest on Cash Balance	1,704,227	1,558,567
Net Realized Gain (Loss) on Sale of Investments	(202,249)	639,916
Participants' Contributions	679,000	658,898
State Contributions	2,215,800	1,524,800
Retirement Annuity Payments	2,487,319	2,295,291
Annuities to Survivors	468,077	417,621
Administrative Expense	79,401	76,642
Retirements during the year	16	7
Deaths among retired members	5	11

THIRTY-EIGHTH ANNUAL REPORT OF THE BOARD OF TRUSTEES

For the Fiscal Year Ended June 30, 1985

The Thirty-Eighth Annual Report of the Board of Trustees of the General Assembly Retirement System of Illinois for the fiscal year ended June 30, 1985 is presented herewith. This report reviews the results of operations of the System for the year and includes a report by the Actuary on the results of an actuarial valuation as of the aforesaid date.

Membership Statistics

	<u>Participants</u>		<u>Retired</u>	<u>Survivor</u>	<u>Totals</u>
	<u>Active</u>	<u>Inactive</u>	<u>Members</u>	<u>Annuitants</u>	
Number at July 1, 1984	189	98	187	114	588
Additions	<u>24</u>	<u>9</u>	<u>16</u>	<u>5</u>	<u>54</u>
	213	107	203	119	642
Deductions	<u>23</u>	<u>15</u>	<u>5</u>	<u>3</u>	<u>46</u>
Number at June 30, 1985	190	92	198	116	596
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Inactive participants consist of 92 former members of the General Assembly who elected to maintain their accumulated pension credits in the System in order to activate these credits at a later date in the form of annuities upon their attainment of the prescribed ages of retirement.

Retirements. Members on retirement at the close of the year numbered 198 receiving annual pension payments totalling \$2,659,159. The following statistics cover these pension recipients:

1. Average annual annuity	\$13,430
2. Average age at retirement	61.2
3. Average length of service	14.8
4. Average annual salary at retirement	\$21,852
5. Average age at June 30, 1985	69.0
6. Proportion of married annuitants	82.3%
7. Average annual annuity to an eligible spouse	\$9,304

Survivors' annuities. There were 116 survivors of deceased members in receipt of annuity payments totalling \$455,497 per year. This compares with 114 recipients of these annuities at the end of the preceding fiscal year. The average age of these beneficiaries at June 30, 1985 was 73.2 years. Their average age at the beginning dates of their annuities was 63.3 years.

In addition there were 3 reversionary annuities in force at June 30, 1985 receiving a total of \$16,644 per year.

Financial review. The accumulated reserves at the close of the year amounted to \$23,250,871. The increase in these reserves for the year was \$1,260,455. The accumulated contribution credits of the members were equal to 19.8% of the total reserves.

Total revenues for the 1985 fiscal year amounted to \$4,413,962 from the following sources:

Contributions and interest paid by participants	\$ 693,253
Employer contributions	2,218,732
Income from Investments	1,704,227
Net realized (loss) on the sale of investments	<u>(202,250)</u>
Total revenues for the year	\$4,413,962

=====

Total expenditures for the year amounted to \$3,153,507 for the following purposes:

Retirement annuities	\$2,487,319
Survivors' annuities	468,076
Refunds of member contributions	118,711
Administrative Expenses	<u>79,401</u>
Total expenditures for the year	\$3,153,507
Excess of total revenues over total expenditures	<u><u>\$1,260,455</u></u>

Net revenues for the year of \$1,260,455 compares with \$1,526,719 in the preceding fiscal year. The decrease of \$266,264 was due principally to the net realized (loss) on sale of investments.

Investments. The investments of the reserves of the System are under the direction and management of the "Illinois State Board of Investment." At this time three retirement systems in the State, namely, the "General Assembly Retirement System," the "State Employees' Retirement System" and the "Judges Retirement System" are serviced by the State Investment Board.

The Chairman of each retirement system being serviced by the Illinois State Board of Investment is, ex officio, a member of the Investment Board.

The assets of the General Assembly Retirement System are part of the Commingled Fund managed by the Illinois State Board of Investment which had a market value of \$1.863 billion as of June 30, 1985. The

assets of the General Assembly Retirement System were approximately 1.26% of the Commingled Fund and were diversified in the following manner:

	<u>Cost</u>	<u>Market</u>
U.S. Government and Agency Obligations	\$ 5,284,841	\$ 5,251,828
Canadian Obligations	199,409	222,262
Corporate Obligations	4,848,192	4,696,974
Convertible Bonds	180,919	179,073
Common Stock and Equity Fund	5,537,919	5,701,174
Convertible Preferred Stock	88,268	88,287
Preferred Stock	13,022	13,080
Real Estate Pooled Funds	1,150,127	1,398,624
Participating Mortgage Pooled Funds	377,912	586,925
Venture Capital	69,614	78,056
Money Market Instruments	5,287,723	5,260,825
Other Assets, less liabilities	<u>(22,233)</u>	<u>(22,121)</u>
	\$23,015,713	\$23,454,987
	<u><u> </u></u>	<u><u> </u></u>

The Commingled Fund produced a total rate of return (capital appreciation plus income) of 22% for the fiscal year 1985. This is the third highest annual rate of return since the Board was formed in 1970, and compares very favorably with the return of (5.2)% in the previous year. The fund remained in the same diversification pattern which had been established in fiscal year 1984. While it may appear that there was a reduction in the commitment to equities, this was, in reality, a result of a change in the management of the equity portfolio which necessitated moving into cash late in the fiscal year and not being fully reinvested by June 30th.

During the year, the Board conducted an intensive review of the equity portfolio management which culminated in the adoption of a two style approach to equity investment. The styles, as finally selected by the Board, are best characterized as "value" and "growth" oriented. The

equity portfolio has been divided with approximately 65% dedicated to the value style and 35% to growth. In addition, the Board decided to implement external management to complement its internal staff. After an intensive search, the Board retained the services of six external managers who will follow the value approach and three who are growth managers. As a result of these changes, the Board anticipates a lessening of the volatility of the Fund's equity portfolio and, at the same time, create an investment environment that may enhance performance and may have a positive impact on the total return of the Fund in the future.

Funding. The law governing the System requires that the Board of Trustees submit to the Governor, prior to each regular session of the General Assembly, the amount of the appropriation requirements of the System for the ensuing fiscal year. The appropriation by the State should be in an amount which, when added to the current members' contributions and the amount of income accruing from other sources, will result in the accumulation of reserves to meet the actuarial or accrual funding of financial requirements of the System.

For the year 1985-1986 the Board of Trustees requested an appropriation of \$6,600,000 from the State of Illinois but actually received \$2,044,400 from the General Revenue Fund for that year. Based on the findings and recommendation of the Actuary of the System, an amount of \$7,590,000 has been requested for the 1986-1987 fiscal year. The appropriation requests by the Board have been consistently in an increasing amount although still

below full actuarial reserve requirements. These appropriation requests are designed to bring about, over a reasonable period of time, appropriations by the State of Illinois equal to full funding in accordance with actuarial reserve requirements. The policies of the Board have been constantly directed towards this objective in order to attain, at least, the minimum standard for funding of 66-2/3%.

Concluding Comment. The results of operations for the 1985 fiscal year resulted in a reduction in the security ratio from 41.3% to 39.6%. The security ratio represents the extent to which the "total accrued liabilities" are covered by "net present assets." The decline in fiscal year 1985 was due principally to the appropriation by the State of Illinois being far below the minimum requirements prescribed by the pension law. The trustees are greatly concerned about this situation and are making every effort to obtain the required revenues from the State of Illinois for funding as mandated by the pension law.

It is a satisfaction to report that management policies and procedures maintained by the Board in the operation and administration of the System conform to the highest standards. It is the policy of the Board to provide a full measure of service to the participating members and the beneficiaries of the System. The efforts of the System's administrative staff are constantly directed toward that objective.

The Board hereby acknowledges with thanks and appreciation the conscientious and dedicated services of the administrative staff.

Respectfully submitted,

Philip J. Rock,
Chairman



Peat, Marwick, Mitchell & Co.
Certified Public Accountants
Peat Marwick Plaza
303 East Wacker Drive
Chicago, Illinois 60601
312-938-1000

AUDITORS' REPORT

Honorable Robert G. Cronson
Auditor General
State of Illinois:

We have examined the balance sheets of the General Assembly Retirement System - State of Illinois as of June 30, 1985 and 1984 and the related statements of revenue, expense, and changes in fund balance, and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of the General Assembly Retirement System - State of Illinois at June 30, 1985 and 1984 and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Our examinations were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the examinations of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Peat Marwick Mitchell & Co.

August 22, 1985

GENERAL ASSEMBLY RETIREMENT SYSTEM -
STATE OF ILLINOIS

Balance Sheets

June 30, 1985 and 1984

<u>Assets</u>	<u>1985</u>	<u>1984</u>
Cash	\$ 194,235	370,721
Receivables:		
Participants' contributions	57,471	2,010
Refundable annuities	42	-
Interest	2,732	4,354
	<u>60,245</u>	<u>6,364</u>
Investments:		
Held in the Illinois State Board of Investment		
Commingled Fund - at adjusted cost (market		
value: 1985, \$23,454,987; 1984, \$19,270,162)	23,015,713	21,638,352
	<u>\$ 23,270,193</u>	<u>22,015,437</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Annuity and refunds payable	-	6,208
Accounts payable	19,322	1,786
Due to Judges Retirement System of Illinois	-	17,027
	<u>19,322</u>	<u>25,021</u>
Fund balance:		
Reserved:		
Actuarially determined accrued benefit cost		
requirements:		
Participants' contributions	4,612,815	4,539,234
Retirement and survivors' annuities in		
force and deferred survivors' annuities	26,554,373	24,672,119
Automatic annuity increase	1,062,563	1,146,005
Present value of liability for accrued		
retirement credits	<u>26,432,984</u>	<u>22,833,250</u>
	58,662,735	53,190,608
Unreserved (deficit) - unfunded accrued benefit		
cost requirement - representing an obligation		
of the State of Illinois	<u>(35,411,864)</u>	<u>(31,200,192)</u>
Total fund balance - funded		
statutory reserves	<u>23,250,871</u>	<u>21,990,416</u>
	<u>\$ 23,270,193</u>	<u>22,015,437</u>

See accompanying notes to financial statements.

GENERAL ASSEMBLY RETIREMENT SYSTEM -
STATE OF ILLINOIS

Statements of Revenue, Expense, and
Changes in Fund Balance

Years ended June 30, 1985 and 1984

	<u>1985</u>	<u>1984</u>
Revenue:		
Contributions:		
Participants	\$ 679,000	658,899
State of Illinois	2,215,800	1,524,800
Employers other than State of Illinois	<u>2,932</u>	<u>-</u>
	2,897,732	2,183,699
Net investment income	1,579,611	1,447,790
Interest earned on cash balances	124,616	110,777
Interest received from participants	14,253	5,994
Net realized gain (loss) on sale of investments	<u>(202,249)</u>	<u>639,916</u>
	<u>4,413,963</u>	<u>4,388,176</u>
Expense:		
Benefits:		
Retirement annuities	2,252,408	2,102,180
Survivors' annuities	468,077	417,622
Automatic annual increase	<u>234,911</u>	<u>193,111</u>
	2,955,396	2,712,913
Refunds	118,711	71,902
Administrative	<u>79,401</u>	<u>76,642</u>
	<u>3,153,508</u>	<u>2,861,457</u>
Excess of revenue over expense	1,260,455	1,526,719
Fund balance at beginning of year	<u>21,990,416</u>	<u>20,463,697</u>
Fund balance at end of year	\$ <u><u>23,250,871</u></u>	<u><u>21,990,416</u></u>

See accompanying notes to financial statements.

GENERAL ASSEMBLY RETIREMENT SYSTEM -
STATE OF ILLINOIS

Statements of Changes in Financial Position

Years ended June 30, 1985 and 1984

	<u>1985</u>	<u>1984</u>
Source of working capital - working capital provided by operations - excess of revenue over expense	\$ 1,260,455	1,526,719
Uses of working capital - investment purchases - reinvested earnings	<u>1,377,361</u>	<u>2,087,706</u>
Net decrease in working capital	\$ <u>(116,906)</u>	<u>(560,987)</u>
Elements of net increase (decrease) in working capital:		
Cash	(176,486)	(485,005)
Receivables	53,881	(71,561)
Annuity and refunds payable	6,208	(3,688)
Accounts payable	(17,536)	36
Due to Judges Retirement System of Illinois	<u>17,027</u>	<u>(769)</u>
Net decrease in working capital	\$ <u>(116,906)</u>	<u>(560,987)</u>

See accompanying notes to financial statements.

GENERAL ASSEMBLY RETIREMENT SYSTEM -
STATE OF ILLINOIS

Notes to Financial Statements

June 30, 1985 and 1984

(1) Description of System

General

The General Assembly Retirement System - State of Illinois (General Assembly Retirement System) was established in 1947 and is governed by Chapter 108-1/2, Article 2 of the Illinois Revised Statutes. The General Assembly Retirement System covers members of the General Assembly of the State and persons elected to the offices of Governor, Lieutenant Governor, Secretary of State, Treasurer, Comptroller, and Attorney General for the period of service in such offices and the clerks and assistant clerks of the respective houses of the General Assembly. Participation by eligible persons is optional.

Pension Benefits

After 8 years of credited service, participants have vested rights to retirement benefits beginning at age 55, or after four years of service with retirement benefits beginning at age 62. The General Assembly Retirement System also provides annual automatic annuity increases after retirement, survivors' annuity benefits, reversionary annuity benefits, and, under specified conditions, lump-sum death benefits. Participants who terminate service may receive, upon application, a refund of their total contributions.

Funding

The General Assembly Retirement System is funded through contributions from participants, State of Illinois appropriations, and investment income. Participants in the General Assembly Retirement System contributed 8-1/2% of their salaries for retirement annuities, 2% for survivors' annuities, and 1% for an annual automatic increase in the retirement annuity.

(2) Summary of Significant Accounting Policies

Basis of Accounting

The accounting records of the General Assembly Retirement System are maintained on the accrual basis.

(Continued)

GENERAL ASSEMBLY RETIREMENT SYSTEM -
STATE OF ILLINOIS

Notes to Financial Statements

Investments

Investments of the General Assembly Retirement System are managed by the Illinois State Board of Investment (ISBI) pursuant to Article 22A of the Illinois Pension Code and are held in the Commingled Fund of that Board. Investments of the General Assembly Retirement System are valued at the cost of its units of participation in the Commingled Fund of the ISBI.

Accrued Benefit Cost

The calculations of the accrued benefit cost (arising from service credits in periods prior to June 30, 1985 and 1984, respectively) were made by a consulting actuary as of June 30, 1985 and 1984 on the basis of the entry-age normal cost method. The more significant assumptions underlying the actuarial computations are as follows:

Rate of return on investments	6%
Mortality basis	1971 Group Annuity Mortality Table (adjusted by the actuary to provide a margin for mortality increase)
Salary increases	5%

Reserves

The actuarially determined reserves - accrued benefit cost requirements consist of the amounts necessary to provide in full for the accrued liabilities for annuities and refunds, comprising four components as follows:

- A. Participants' contributions - represent the amount of the total contribution credits of the members. Part of these credits is subject to refund upon termination of service in the future due to resignation or death. The remainder is applied for funding part of the annuities payable to participants now in service who may ultimately qualify for retirement, and to prospective survivors of participants.
- B. Retirement and survivors annuities in force and deferred survivors' annuities - constitute the amount required to pay out during the future lifetime of the present annuitants (retired members and survivors) the pensions granted and in force, and to fund the survivors' annuities that may become payable upon death of the retired participants.

(Continued)

GENERAL ASSEMBLY RETIREMENT SYSTEM -
STATE OF ILLINOIS

Notes to Financial Statements

- C. Automatic annuity increase - represents the amounts derived from member and State contributions to meet the requirements for past retirement increments in retirement annuities to qualified members.
- D. Present value of liability for accrued retirement credits - represents the amount that must be on hand to finance the State's portion of the accrued pension credits earned by participants who may qualify for retirement and their eligible survivors.

The funded statutory reserves of the General Assembly Retirement System are comprised of three components as follows:

1. Reserve for participants refundable contributions - This reserve consists of active participants accumulated refundable contributions less refunds paid.
2. Reserve for automatic annuity increase - This reserve represents participants' accumulated contributions for the automatic annuity increase plus an equal amount contributed by the State of Illinois plus 4% interest credited on the beginning balance less automatic annuity increase benefits and refunds paid.
3. Reserve for future operations - This reserve is the balance remaining in the General Assembly Retirement System from State of Illinois contributions and revenues from investments after consideration of charges for payouts by the General Assembly Retirement System.

Administrative Expenses

Administrative expenses common to the General Assembly Retirement System and the Judges Retirement System are borne 40% by the General Assembly Retirement System and 60% by the Judges Retirement System. Invoice-vouchers covering common expenses incurred are paid by the Judges Retirement System of Illinois and 40% thereof is allocated to and reimbursed by the General Assembly Retirement System. Administrative expenses allocated to and reimbursed by the General Assembly Retirement System were \$70,178 and \$68,296 for the years ended June 30, 1985 and 1984, respectively.

GENERAL ASSEMBLY RETIREMENT SYSTEM -
STATE OF ILLINOIS

Statement of Changes in Funded Statutory Reserves

Years ended June 30, 1985 and 1984

	Total funded reserves	Reserve for participants' contributions for retirement and survivors' annuities	Reserve for automatic annuity increase	Reserve for future operations
Balance at June 30, 1983	\$ 20,463,697	4,129,681	1,183,439	15,150,577
Add (deduct):				
Excess (deficiency) of revenue over expense	1,526,719	535,987	(84,772)	1,075,504
Reserve transfers:				
Accumulated contributions of members who retired during the year	-	(126,434)	-	126,434
Reserve for automatic annuity increase credited with interest at 4% on the reserve balance at beginning of year	-	-	47,338	(47,338)
Balance at June 30, 1984	21,990,416	4,539,234	1,146,005	16,305,177
Add (deduct):				
Excess (deficiency) of revenue over expense	1,260,455	513,050	(129,282)	876,687
Reserve transfers:				
Accumulated contributions of members who retired during the year	-	(439,469)	-	439,469
Reserve for automatic annuity increase credited with interest at 4% on the reserve balance at beginning of year	-	-	45,840	(45,840)
Balance at June 30, 1985	\$ <u>23,250,871</u>	<u>4,612,815</u>	<u>1,062,563</u>	<u>17,575,493</u>

GENERAL ASSEMBLY RETIREMENT SYSTEM -
STATE OF ILLINOIS

Schedule of Administrative Expenses

Years ended June 30, 1985 and 1984

	<u>1985</u>	<u>1984</u>
Personal services and related		
payroll costs	\$ 61,026	58,944
Contractual services:		
Rentals:		
Office equipment	850	857
Real property	5,508	5,508
Professional and technical services	7,300	6,600
Other	1,985	2,011
Equipment	67	92
Travel	1,138	687
Commodities	695	1,139
Telecommunications	832	804
	<u>\$ 79,401</u>	<u>76,642</u>

REPORT OF THE ACTUARY

June 30, 1985

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A. A. WEINBERG
CONSULTING ACTUARY

REPORT ON AN ACTUARIAL VALUATION OF THE SYSTEM
AS OF JUNE 30, 1985

Presented herewith is our report on the results of an actuarial valuation of the assets and liabilities of the General Assembly Retirement System of Illinois for the year ended June 30, 1985.

STATISTICAL DATA

The statistical data required for this valuation were compiled by the administrative staff of the System under the direction of Norman E. Lentz, Administrative Secretary. This data was supplied to us in excellent form according to our specifications. Detailed statistical tables of this data, reflecting the age, service and salary characteristics of the members and annuitants are presented in the appendix. A summary thereof is as follows:

Contributing Participants

Number	190
Annual Salaries	\$5,985,000
Average Salary	\$31,500
Average age at June 30, 1985	48.8
Average length of service	8.0
Proportion married	81.1%
Average age of spouse	48.4

Inactive Participants

Number	92
Annual Salaries	\$2,033,500
Average Salary	\$22,103
Average age at June 30, 1985	53.6
Average length of service	7.5
Proportion married	79.3%
Average age of spouse	52.3

Retired Members

Number of members	198
Total annual payments	\$2,659,158
Average payment	\$13,430
Average age at retirement	61.2
Average length of service	14.8
Average annual salary	\$21,852
Average age at June 30, 1985	69.0

Prospective Survivor Annuitants

Spouses of retired members	163
Average age at June 30, 1985	63.5
Annual prospective annuities	\$1,516,554
Average annual payment	\$9,304

Survivor Annuitants

Number of annuitants	116
Average age at June 30, 1985	73.2
Average age at commencement of annuity	63.3
Total annual payments	\$455,497
Average annual payment	\$3,927

ACTUARIAL VALUATION

Results of Valuation. The results of the valuation completed as of June 30, 1985 disclosed that the unfunded accrued liability of the System increased during the year in the amount of \$4,211,672. This was due principally to the inadequate appropriations by the State of Illinois which were considerably below the actuarial funded requirements required by the law. It is the established policy of the Board to request increasing appropriations from the State with the view of attaining, over the next several years, the minimum level of funding contemplated by the law equal to (a) the normal cost, plus (b) the annual interest accrual on the unfunded accrued liability.

As stated, the rate of funding at June 30, 1985 was determined to be 39.6%. This compares with the rate of 41.3% a year ago. This rate represents the extent to which the "total accrued liabilities and reserve requirements" are covered by "net present assets." The rate of funding is considerably below the minimum level of 66-2/3% recommended some years ago by the Illinois Public Employees Pension Laws Commission.

Purpose of An Actuarial Valuation. An actuarial valuation of a retirement system is undertaken for the purpose of establishing the true financial condition of a retirement system. The "accrued liabilities" for the several benefits comprising the benefit schedule are calculated. The "net present assets" at the date of valuation are balanced against the total accrued liabilities. Actuarial soundness exists when the "total accrued liabilities" at such date are fully covered by "net present assets." An excess of accrued liabilities over net present assets represents an actuarial reserve deficiency generally referred to as an "Unfunded Accrued Liability." Conversely, an excess of "net present assets" over the total accrued liabilities may be considered as "Surplus" which is a rarity particularly among public retirement systems.

An actuarial reserve at a given date constitutes the net liability to the members of the System for the accrued and prospective benefit obligations. It consists of (a) the present value of all prospective benefit payments, actuarially computed, less (b) the present value of expected future revenues under the prescribed method of funding.

Valuation Procedure. In any actuarial valuation certain assumptions are made with respect to the factors of mortality to be applied to the active and retired members, rates of employment turnover, ages at which employees

may retire and other pertinent factors that are applicable in establishing the effect of these decrements on future operations. These factors are reviewed periodically generally by means of the annual actuarial valuations thus giving effect to current conditions and operating trends. Adjustments in the basic factors are made currently as required. Because of the long-term aspects of pension obligations, a forecast of probable future trends in respect to the basic factors must be predicated upon the results of operations for a long period of years. Short-term fluctuations and transitory conditions cannot be relied upon as indicative of the possible future long-term expectancy.

The benefit and contribution provisions of the retirement plan forming the basis of the actuarial valuation are summarized in the appendix of this report. The several basic actuarial assumptions applied in this valuation are as follows:

1. Mortality expectancy: 1971 Group Annuity Mortality Table projected to 1986
2. Interest rate: 6% per annum
3. Turnover: 20% of active membership in a biennial period
4. Future salary increment: Average increment expectancy for the long term - 5% per year
5. Average age at retirement: 63 years
6. Marital status: 70% of the members in service were assumed to be married with the average age differential between the employee and spouse of 4 years. 65% of the members retiring on pension were assumed to be married.
7. Administrative expense: Actual annual cost

Valuation Balance Sheet. The "Valuation Balance Sheet" presented in the following pages presents the financial condition of the System as determined by the foregoing procedures. The Valuation Balance Sheet is broader in scope than the usual "Financial Balance Sheet" prepared by accountants. The Valuation Balance Sheet gives effect to the accrued actuarial liabilities under the applicable benefit and contribution rate schedules computed in accordance with actuarial criteria as previously explained.

VALUATION BALANCE SHEET

June 30, 1985

GENERAL ASSEMBLY RETIREMENT SYSTEM OF ILLINOIS

COMPARATIVE VALUATION BALANCE SHEETS

June 30, 1985 and June 30, 1984

Statement of Assets, Liabilities and Reserves

A S S E T S

<u>NET PRESENT ASSETS</u>	<u>1985</u>	<u>1984</u>
Cash, State Treasurer	\$ 194,235	\$ 370,720
Accounts Receivable	60,245	6,364
Investments - Reported by the Illinois State Board of Investment	<u>23,015,713</u>	<u>21,638,352</u>
Totals	\$23,270,193	\$22,015,436
Less, Current Liabilities	<u>19,322</u>	<u>25,020</u>
Net Present Assets	\$23,250,871	\$21,990,416
 <u>DEFERRED ASSETS:</u>		
Due from the State of Illinois for accrued pension credits (Unfunded Accrued Liability)	<u>\$35,411,864</u>	<u>\$31,200,192</u>
<u>TOTAL ASSETS</u>	<u>\$58,662,735</u>	<u>\$53,190,608</u>

GENERAL ASSEMBLY RETIREMENT SYSTEM OF ILLINOIS

COMPARATIVE VALUATION BALANCE SHEETS

June 30, 1985 and June 30, 1984

Statement of Assets, Liabilities and Reserves

ACTUARIAL RESERVE REQUIREMENTS

	June 30	
	1985	1984
<u>MEMBERS' CONTRIBUTION RESERVE</u>		
For accrued retirement and survivors annuities for active members	\$ 3,611,379	\$ 3,505,751
For future refunds and death benefits	<u>1,001,436</u>	<u>1,033,482</u>
	\$ 4,612,815	\$ 4,539,233
<u>STATE CONTRIBUTION RESERVE</u>		
For accrued retirement and survivors annuities	30,044,363	26,339,002
Less, available members' contribution credits	<u>3,611,379</u>	<u>3,505,751</u>
	\$26,432,984	\$22,833,251
<u>RETIREMENT RESERVE</u>		
Actuarial Value of retirement and survivors annuities in force and prospective annuities -		
Retirement and survivors annuities to spouses of retired members	22,021,372	20,044,677
Survivors annuities in force and deferred	<u>4,523,001</u>	<u>4,627,442</u>
	\$26,554,373	\$24,672,119
AUTOMATIC INCREASE IN ANNUITY RESERVE - Post-retirement increment	<u>\$ 1,062,563</u>	<u>\$ 1,146,005</u>
<u>TOTAL RESERVE REQUIREMENTS</u>	<u>\$58,662,735</u>	<u>\$53,190,608</u>

The following statement is explanatory of the several items comprising the "Valuation Balance Sheet."

Net Present Assets comprise the present assets less current liabilities as shown in financial statements prepared and submitted by the Administrative Secretary.

Deferred Assets constitute the amounts owing to the System on account of service rendered prior to the Balance Sheet date. This is an accrued indebtedness to the System on the part of the State of Illinois. This unfunded amount is to be discharged by the State appropriations under the specific mandatory provisions of the retirement law.

Members' Contribution reserve comprises the retirement and survivors annuity contribution credits of the members at the Balance Sheet date. Part of these contributions are subject to refund in future years upon resignation or death of the members without right to benefits. The remainder is available to finance a part of the cost of the annuities for participants who may ultimately qualify for retirement and to the eligible survivors of the members whose death may occur before or after retirement.

State Contributions Reserve represents the amounts that must be on hand to finance the State's portion of the accrued pension credits earned by participants who may qualify for retirement, at the ages assumed for their retirement, and their eligible survivors.

Retirement Reserve constitutes the lifetime requirements, on a present value basis, of the retirement annuities and survivors' annuities granted and in force at the Balance Sheet date plus the requirements for prospective

survivors' annuities payable upon death of the retired members.

Automatic Increase in Annuity Reserve represents the amounts derived from employee and State contributions, with interest additions, to meet the requirements for post-retirement increments in retirement annuities to qualified members.

PROJECTION OF FUTURE PENSION PAYOUTS

The continuous upward trend in pension payments gives emphasis to the importance of adequate and advance funding of the System's accruing pension liability. The following projection is illustrative:

<u>Fiscal Year Ended June 30</u>	<u>Projected Annual Pension Payments</u>
1985 (Actual)	\$2,955,400
1986	3,280,200
1990	3,740,500
1995	4,650,700
2000	5,627,900

Any changes in the factors affecting benefit payments or the qualifying conditions of a substantial character occurring in future years will require a revision of these future projected payouts. Increases in rates of salary for the members above the stated assumptions will make it necessary to revise upward the estimates of future pension payments. It should be noted that unless adequate revenues are made available to fund the accruing pension cost as it is incurred according to the actuarial concept, the System may not have sufficient monies available to meet the

pension payrolls as the pension payments mature.

The above projection will be reexamined and reevaluated periodically in the light of operating experience.

NORMAL COST

The following statement presents the current funded cost for each of the several components of the benefit schedule in terms of a percentage of payroll and in dollar amounts based on an annual payroll of \$5,985,000.

	<u>Per Cent of Payroll</u>	<u>Annual Amount on Valuation Payroll</u>
1. <u>Normal Cost -</u>		
Service retirement annuity	17.7%	
Post-retirement increment	2.4	
Death Benefits	0.4	
Survivors' annuities	3.9	
Refunds	0.6	
Administrative expense	<u>0.6</u>	
Total	25.6%	\$1,532,160
Less, employee contributions	<u>11.5</u>	<u>688,275</u>
Normal cost to the State of Illinois per year of service	14.1%	\$ 843,885
	<u>=====</u>	<u>=====</u>
2. <u>Actuarial service requirements for accrued liabilities -</u>		\$58,662,735
Less, net present assets		<u>23,250,871</u>
Unfunded accrued liability		<u>\$35,411,864</u>
		<u>=====</u>
3. <u>Annual requirements from the State to finance its share of annual cost -</u>		
Normal cost	14.1%	\$ 843,885
Accrued liability (interest on the unfunded accrued liability at 6%)	<u>35.5</u>	<u>2,124,712</u>
ANNUAL COST TO THE STATE OF ILLINOIS	49.6%	\$ 2,968,597
	<u>=====</u>	<u>=====</u>

ACTUARIAL FUNDING

The valuation was made according to the "entry-age-normal cost" method of funding. This method requires the determination of a level amount of cost from the ages at which members entered service to the ages assumed for their retirement. The accumulated value of these amounts accruing prior to the date of valuation constitutes as accrued liability. This "accrued liability" is offset by the "net assets" at the date of valuation.

The minimum annual actuarial requirements from the State of Illinois consists of; (1) the normal or current service cost, plus (2) the interest accrual on the unfunded accrued liability. Death, disability and survivors' benefits are valued according to a one-year term basis similar to that normally used in group life insurance. The annual normal cost of the pension liability is to cover the actuarial value of pension credits earned by the members during each yearly period plus the cost of the ancillary benefits referred to above.

Concluding Comment. The financial condition of the System is relatively sound. While the rate of funding or security ratio is 39.6% which is below the recommended standard for public retirement systems in Illinois, it compares favorably with other similar systems operating for elected officials both in Illinois and outside of the State.

The management and direction of the operation of the System is conducted under progressive policies and procedures with a conscientious approach

to all problems arising in operations. A high standard of efficiency is maintained in the administration of the System by a competent and extremely dedicated administrative staff under the able direction of Norman E. Lentz, Administrative Secretary.

A. A. WEINBERG,
Consulting Actuary

November 14, 1985

A P P E N D I X

Summary of Provisions of the Act
Governing the General Assembly Retirement System

Retirement Estimate Chart

Statistical Tables

SUMMARY OF PROVISIONS OF THE GENERAL ASSEMBLY RETIREMENT SYSTEM

(Includes amendments enacted at the 1985 session of the 84th General Assembly. This summary should not be considered as a substitute for the applicable law)

Membership. Membership includes all members of the General Assembly and State officials of the executive branch who are elected by the vote of the people of the whole State of Illinois

1. PARTICIPATION AND CONTRIBUTIONS OF MEMBERS

Participation. A person eligible for membership must participate in the System as a condition of employment unless an "Election Not to Participate" is filed within 24 months from the date of assuming office.

Continued Participation. A member who has at least 6 years of service as a member of the General Assembly may, following termination of service in the General Assembly, elect to continue participation in the General Assembly Retirement System while employed in certain other positions of public service provided the salary is at least equal to the regular salary of members of the General Assembly. In such case contributions and benefits would be based on the regular salary applicable to members of the General Assembly in effect during such service. This election opportunity will expire December 31, 1991, and the allowance of such continued participation is limited to 4 years.

Contributions. Members must contribute for the following purposes, by payroll deductions, at the rates indicated:

Retirement Annuity	8.5%
Automatic Annuity Increase	1.0
Survivor Annuity	<u>2.0</u>
Total	<u>11.5%</u>

Member Contributions Not Subject to Federal or State Income Tax Until Distributed. Member contributions on earnings received after January 1, 1982 are picked up as employer contributions and, therefore, that amount of salary is not considered as taxable income for Federal or State Income Tax purposes in the year the compensation is received. However, these retirement contributions will be subject to Federal Income Tax when such amounts are distributed as a retirement annuity, survivor's annuity, lump-sum death benefit or refund.

Refund of Contributions. Upon termination of service a member is entitled to a refund of his total contributions without interest.

If unmarried at retirement, a member is entitled to a full refund of his contributions for survivor's annuity. However, this refund may be repaid, with required interest, to qualify a spouse for survivor's benefits if the member marries or remarries after retirement.

2. RETIREMENT ANNUITY

Formula. The retirement annuity is determined according to the following formula based upon the final rate of salary:

3.0% for each of the 1st 4 years of service credit;
3.5% for each of the next 2 years of service credit;
4.0% for each of the next 2 years of service credit;
4.5% for each of the next 4 years of service credit;
5.0% for each year of service in excess of 12 years;
Maximum is 85% of salary after 20 years of credit.

SEE ESTIMATE CHART ON FOLLOWING PAGE.

Age and Service Requirements for Retirement. A member may retire at age 55 or over with at least 8 years of service credit or at age 62 or over with between 4 and 8 years of service credit.

Total and Permanent Disability. A participant with at least 8 years of credited service who becomes disabled while in service as a contributing member is eligible for a retirement annuity regardless of age.

If disability is service-connected, the annuity is subject to reduction by the amounts received under the Workmen's Compensation Act and the Workmen's Occupational Diseases Act.

Automatic Annuity Increase. An annuitant is eligible for an annual increase of 3% in the base retirement annuity but not prior to age 60. Each annual increase is based upon the original grant of annuity. The initial increase is effective in the month of January of the year next following the year in which the first anniversary of retirement occurs or at age 60, whichever last occurs.

Suspension of Retirement Annuity. An annuitant who reenters service becomes a participant as of the date of reentry and retirement annuity payments cease. Upon subsequent retirement the member shall be entitled to a retirement annuity consisting of (1) the amount of retirement annuity previously granted, and (2) the amount of additional retirement annuity earned by the additional service, subject to the prescribed maximum.

In lieu of the above, such a member may elect to return to the System, in a single sum, all pension payments made to him prior to subsequent retirement and have his retirement annuity recalculated based on all service credited to him as though he had not previously retired.

If the provisions of the Retirement Systems' Reciprocal Act are elected at retirement, any employment which would result in the suspension of benefits from any of the systems being considered would also cause the benefit being paid by the General Assembly Retirement System to be suspended.

ESTIMATE CHART

GENERAL ASSEMBLY RETIREMENT SYSTEM OF ILLINOIS

The following table shows the approximate retirement annuity benefit with the corresponding spouse's annuity with between 8 and 20 years of service credit which is applicable to members terminating service after July 1, 1985, and based on a final annual salary of \$32,500.

<u>Years of Service</u>	<u>RETIREMENT ANNUITY</u>		<u>SPOUSE'S ANNUITY</u> (Note 2)
	<u>Percent of Salary</u>	<u>Monthly Amount at Age 55 or Over</u>	<u>Monthly Amount</u>
4 (Note 1)			
8	27%	\$ 731	\$ 487
10	36%	975	650
12	45%	1,218	812
14	55%	1,489	993
16	65%	1,760	1,173
18	75%	2,031	1,354
20 and over	85%	2,302	1,534

Note 1. A member terminating service with at least 4 years of credit but less than 8 is eligible to a pension at age 62 or over: 12% for 4 years - \$325 month
19% for 6 years - \$514 month

Note 2. Payable at age 50 of the spouse if no children survive.

If an unmarried minor child under age 18 also survives the member, the annuity to the spouse begins as of the date of the member's death without regard to age and the annuity is increased.

3. SURVIVORS ANNUITY BENEFITS

Optional Reversionary Annuity. Any member may, prior to his retirement, elect to take a reduced annuity for himself and provide, on an actuarially equated basis, an annuity for a spouse, parent, child, or a brother or sister. A participant desiring to provide such a benefit should file his election with the System at least two years prior to his contemplated date of retirement.

Survivors Annuity - Qualifying Conditions. A surviving spouse without children may be considered for this benefit at age 50 or over provided marriage to the member had been in effect for at least 1 year immediately prior to the member's death.

A surviving spouse with unmarried eligible children of the member may be considered for a survivors annuity benefit at any age provided the marriage requirements forementioned have been met. When all children are disqualified because of death, marriage or attainment of age 18, the spouse's benefit is suspended, if the spouse is under age 50, until attainment of such age.

Remarriage prior to attainment of age 55 shall disqualify a surviving spouse for the receipt of an annuity.

An unmarried child of the member under age 18 may qualify for the survivors benefit if there is no surviving spouse or if the spouse remarries prior to attainment of age 55 or dies. Adopted children have the same status as children of the member if the proceedings for adoption were commenced at least one year prior to the date of the member's death.

Service Requirement. If the member dies while in service as a participant, he must have at least two years of service credit for the survivor's annuity eligibility. If death occurs after termination of service but before retirement, the deceased member must have at least 8 years of service credit.

Amount of Survivor's Annuity. The benefits payable to survivors in the several categories, provided qualifying provisions and other requirements have been fulfilled, are as follows:

	<u>DEATH IN SERVICE</u>	<u>DEATH AFTER TERMINATION OR RETIREMENT</u>
(a) Spouse without eligible children of the member	66-2/3% of earned retirement annuity subject to minimum of 10% of salary	66-2/3% of earned retirement annuity
(b) Spouse with eligible children of the member	30% of salary increased 10% of salary on account of each minor child subject to a maximum of 50% of salary to a family	75% of earned retirement annuity

Amount of Survivor's Annuity. (Cont'd.)

	<u>DEATH IN SERVICE</u>	<u>DEATH AFTER TERMINATION OR RETIREMENT</u>
(c) Children of the member under age 18 when there is no eligible spouse	20% of salary each child subject to a combined total payment of 50% of salary.	20% of salary each child subject to combined total payment equal to 75% of member's earned retirement annuity.

Offset by Workmen's Compensation. The survivor's annuity is subject to reduction by any amounts received by a survivor under the Workmen's Compensation Act or the Workmen's Occupational Diseases Act.

4. LUMP SUM DEATH BENEFITS

Lump sum death benefits are considered only if there are no eligible "survivor's annuity" beneficiaries surviving the deceased member.

<u>Conditions for Payment</u>	<u>Benefits Payable</u>
(a) Death before retirement with no survivors eligible to a survivor's annuity	Refund of total contribution credits to nominated beneficiary or estate.
(b) Death after retirement with no survivors eligible to a survivor's annuity	Refund of excess of (a) contributions over, (b) pension payments. Payable to nominated beneficiary or estate. If total benefits paid equal or exceed contributions, no death benefit is payable.
(c) Death of survivor annuitant with no further survivor's annuity payable	Refund of excess of (a) contributions over, (b) total retirement and survivors payments. Payable to nominated beneficiary or estate of last survivor. If total benefits equal or exceed contributions, no death benefit is payable.

5. PENSION CREDITS ESTABLISHED IN OTHER PUBLIC
EMPLOYEE RETIREMENT SYSTEMS IN ILLINOIS

Pension credit for service transferred from other retirement systems.
Pension credit for service as a participating employee under Articles 3 through 18 of the Illinois Pension Code may be transferred to the General Assembly Retirement System at the option of a member and subject to the following conditions:

1. That the credits accrued under any of the articles fore-mentioned have been transferred to this System, and
2. That the member has contributed to this System an amount equal to (a) employee contributions at the rate in effect for participants at the date of membership in this System based upon the salary then in effect for members of the General Assembly, (b) the funded cost for the State of Illinois, in effect at such date, and (c) interest at 6% per annum, compounded annually, from the date of membership to the date of payment by the member; less the amount of participant's credits transferred from the other system.

The direct transfer of credits to this system from another system must be made while the member is an active participant of the General Assembly Retirement System.

6. RECIPROCITY

The Retirement Systems' Reciprocal Act (Chapter 108½, Article 20, Illinois Revised Statutes) provides the means for giving effect to pension credits in certain other public retirement systems in Illinois by considering such credits with credits in the General Assembly Retirement System for the purpose of determining eligibility to benefits and for computing the benefits that may be payable to participants and their dependents.

Under the "Retirement Systems' Reciprocal Act", each retirement system considers the provisions of its law in effect on the last date of last termination of service of the member under any of the systems involved. Earnings under all systems are considered by each system in establishing the salary base on which benefits are to be computed. Public employment is considered in sequence by each system in arriving at the proper graded percentage rate of annuity applicable to the member under its graduated annuity formula. Each system is to pay its proportionate annuity to the annuitant but the total payments by all systems cannot exceed the highest maximum annuity of any of the systems being considered if all of the member's public employment had been credited in that system. No additional contributions are required for this provision to be applicable.

7. TAXATION OF BENEFITS

Retirement and survivor's annuity benefits paid by the General Assembly Retirement System are subject to Federal Income Tax after considering certain contributions made to the System which may be considered as the member's "cost of annuity" for Federal tax purposes. Such cost would include contributions deducted from salary payments made prior to January 1, 1982, as well as any direct optional payments made by the member. At the time benefits become payable, the System provides the member or survivor detailed information regarding the Federal Income Tax treatment of the benefit to be paid including the amount the recipient is to consider as his or her cost of the annuity.

Benefits paid by the General Assembly Retirement System are not subject to Illinois State Income Tax.

8. STATE EMPLOYEES GROUP INSURANCE PROGRAM

A former member receiving benefits from the General Assembly Retirement System is eligible to coverage under the State Employees Group Insurance Program. Basic health premiums for the annuitant are paid by the State and premiums for any dependent health coverage are deducted from the monthly benefit. The maximum State-paid basic life insurance coverage is \$2,000 for an annuitant at age 60 or over.

A member who begins to receive retirement benefits within one year of the date of removal from the payroll is considered an "immediate annuitant" and one who begins to receive retirement benefits after being off the payroll for more than one year is considered as a "deferred annuitant" for group insurance purposes.

An "immediate annuitant" has basic life insurance coverage and may elect optional life coverage for self in multiples of up to four times the basic amount. Life coverage may also be elected for a spouse and eligible children. The State pays the premium for basic life but premiums for any optional life coverage are paid by the member by way of a deduction from the monthly benefit.

A "deferred annuitant" has basic life coverage with premiums paid by the State but is not eligible to elect any optional life coverage either for self or dependents.

A survivor who qualifies for monthly benefits upon the death of an active or retired member then becomes the annuitant and premiums for that survivor's basic health insurance coverage are paid by the State. A survivor annuitant of a deceased active member or "immediate annuitant" may elect \$2,000 life insurance with premiums deducted from the monthly benefit.

Upon termination of service in the General Assembly a member who has at least 4 years of credit in this system but not yet eligible for retirement may continue coverage under the State Group Insurance Program as long as membership in this system is not terminated by the acceptance of a refund. In such case the member would be required to pay for the entire cost of the coverage including premiums normally paid by the State for employees and annuitants. This special enrollment would be handled by the General Assembly Retirement System with premiums for the coverage remitted through this office.

STATISTICAL TABLES

TABLE 1. ACTIVE PARTICIPANTS CLASSIFIED BY
AGE AND TOTAL ANNUAL SALARIES

<u>Age At June 30, 1985</u>	<u>Number of Partici- pants</u>	<u>Annual Salaries</u>	<u>Age At June 30, 1985</u>	<u>Number of Partici- pants</u>	<u>Annual Salaries</u>
30	1	\$ 30,250	50	9	\$290,250
31	1	30,250	51	3	100,750
32	1	30,250	52	5	156,250
33	4	121,000	53	5	157,250
34	1	30,250	54	9	284,250
35	3	90,750	55	6	191,500
36	4	121,000	56	2	60,500
37	7	211,750	57	3	90,750
38	10	319,500	58	2	66,500
39	7	231,750	59	4	121,000
40	8	242,000	60	6	197,500
41	11	332,750	61	3	101,750
42	5	158,750	62	6	181,500
43	9	297,250	63	4	127,000
44	7	217,750	64	1	36,250
45	4	121,000	65	2	60,500
46	3	90,750	66	2	60,500
47	7	221,750	67	3	90,750
48	6	201,500	68	1	30,250
49	8	252,000	69	1	30,250
			70	1	36,250
			71	2	65,500
			72	2	65,500
			78	1	30,250
			<u>Totals</u>	<u>190</u>	<u>\$5,985,000</u>

TABLE 2. ACTIVE PARTICIPANTS CLASSIFIED BY LENGTH
OF SERVICE AND TOTAL ANNUAL SALARIES

<u>Length of Service</u> <u>June 30, 1985</u> <u>Number of Years</u>	<u>Number of</u> <u>Participants</u>	<u>Annual</u> <u>Salaries</u>
2 or less	24	\$ 726,000
4	35	1,068,750
6	22	675,500
8	24	759,000
10	14	457,000
12	22	698,500
14	14	429,500
16	10	327,500
18	9	277,250
20 or over	16	566,000
Totals	190	\$5,985,000

TABLE 3. INACTIVE PARTICIPANTS CLASSIFIED
BY AGE AND TOTAL ANNUAL SALARIES

<u>Age At June 30, 1985</u>	<u>Number</u>	<u>Annual Salaries</u>
36	3	\$ 84,000
39	1	28,000
40	2	56,000
41	1	34,000
42	2	56,000
43	5	129,000
44	2	56,000
45	2	48,000
46	2	48,000
47	3	86,000
48	3	76,000
49	3	76,000
50	5	119,500
51	3	65,000
52	3	84,000
53	4	95,500
54	5	118,500
55	7	165,000
56	4	101,500
57	1	5,000
58	6	97,500
59	3	63,500
60	3	63,500
61	5	97,000
62	3	63,500
63	2	35,500
64	1	20,000
65	2	11,000
67	1	17,500
69	1	9,000
70	1	6,000
72	2	13,500
86	1	5,000
Totals	92	\$2,033,500

TABLE 4. INACTIVE PARTICIPANTS CLASSIFIED BY LENGTH
OF SERVICE AND TOTAL ANNUAL SALARIES

<u>Length of Service</u> <u>June 30, 1985</u> <u>Number of Years</u>	<u>Number</u>	<u>Annual</u> <u>Salaries</u>
2	16	\$ 360,000
4	15	355,000
6	15	296,000
8	17	310,500
10	10	259,500
12	7	164,500
14	6	143,000
16	2	44,000
18	2	56,000
20	2	45,000
	<hr/>	<hr/>
Totals	92	\$2,033,500
	<hr/>	<hr/>

TABLE 5. RETIREMENT ANNUITANTS CLASSIFIED
BY AGE AND TOTAL ANNUAL ANNUITIES

<u>Age At June 30, 1985</u>	<u>Number</u>	<u>Annual Annuity</u>
55	5	\$ 84,949
56	4	63,804
57	6	148,270
58	5	87,708
59	7	69,187
60	7	111,066
61	10	143,632
62	9	102,613
63	12	179,171
64	9	169,223
65	7	102,679
66	9	138,719
67	4	34,369
68	8	77,261
69	11	174,573
70	8	138,369
71	7	51,326
72	3	52,380
73	10	127,940
74	5	68,070
75	4	65,936
76	9	92,922
77	4	44,883
78	5	43,636
79	5	64,489
80	5	43,700
82	2	24,414
83	3	37,148
84	5	53,442
85	2	12,169
87	2	4,927
88	2	21,083
89	1	1,200
90	1	1,638
91	1	18,400
95	1	3,863
Totals	198	\$2,659,159

TABLE 6. SURVIVOR ANNUITANTS CLASSIFIED BY
AGE AND TOTAL ANNUAL ANNUITIES

<u>Age At June 30, 1985</u>	<u>Number</u>	<u>Annual Annuity</u>
53	1	\$ 6,593
54	2	24,433
55	2	16,214
57	2	5,793
58	1	5,849
59	3	5,292
60	3	15,840
61	2	15,333
62	2	25,302
64	3	29,173
65	4	24,185
66	4	13,477
67	6	19,210
68	1	8,750
69	2	1,323
70	3	11,607
71	1	1,250
72	4	20,501
73	4	18,315
74	6	10,000
75	5	34,996
76	9	24,161
77	7	22,971
78	8	23,949
79	3	4,217
80	4	3,700
81	2	7,167
82	4	12,129
83	1	1,000
84	6	12,914
85	3	7,839
86	1	7,194
87	4	11,285
90	1	667
91	2	2,867
Totals	116	\$455,496